



**Office of Thrift Supervision**  
**Financial Reporting Division**

**March 2005**

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# **Financial Reporting Bulletin**

- **It is important that you read this bulletin and the attached materials before preparing and submitting your Thrift Financial Report.** ●

**March TFR Deadline – Monday, May 2, 2005**  
**March COF Deadline – Monday, May 2, 2005**  
**March CMR Deadline – Monday, May 16, 2005**  
**March HC Deadline – Monday, May 16, 2005**

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## **FIRST QUARTER DEADLINES**

You should complete and transmit your March 2005 TFR and COF **as soon as possible** after the close of the quarter. All schedules except HC and CMR are due to the OTS **no later than Monday, May 2, 2005**. Schedules HC and CMR are due **no later than Monday, May 16, 2005**.

Institutions that are exempt from filing Schedule CMR but choose to voluntarily file must adhere to the filing deadlines. The OTS will not be able to provide access to Interest Rate Risk reports to institutions that fail to meet the filing deadline. All voluntary CMR filers should contact Doris Jackson at [doris.jackson@ots.treas.gov](mailto:doris.jackson@ots.treas.gov) or 972-277-9618 two days after transmitting CMR for confirmation of receipt.

If you have questions concerning the preparation of your report, please call your Financial Reporting Division analyst in Dallas, Texas. You may e-mail reporting questions to [tfr.instructions@ots.treas.gov](mailto:tfr.instructions@ots.treas.gov). If you have a problem with the Electronic Filing System (EFS) software or transmission, contact the EFS Helpline Message Center toll-free at 866-314-1744 or [efs-info@ots.treas.gov](mailto:efs-info@ots.treas.gov). If you have questions about your Interest Rate Risk report, you may contact Scott Ciardi at [scott.ciardi@ots.treas.gov](mailto:scott.ciardi@ots.treas.gov) or 202-906-6960.

## **NO NEW FORMS FOR 2005**

**There are no form changes for 2005**, therefore, **you will not receive** a new set of TFR Instructions and Sample Forms. Continue to use the instructions you have.

The OTS announced in January 2005 that it is postponing the planned March 31, 2005, implementation of the new Risk Exposure Data (Schedule RED) form for collecting data used to measure thrifts' interest rate risk exposure. The OTS had planned to roll out Schedule RED in two phases, with phase one implementation scheduled for the quarter ending March 31, 2005.

The postponement of Schedule RED will provide the OTS more time to focus on further enhancements to the Net Portfolio Value model, the agency's key supervisory tool for measuring interest rate risk. The development of a more flexible reporting format is part of the OTS's ongoing, comprehensive effort to enhance its interest rate risk modeling capabilities.

## **NEW RELEASE - MARCH 2005 EFS VERSION 5.5 FILING SOFTWARE CD**

One copy of the new EFS Version 5.5 CD has been mailed to the report preparer of record at all OTS-regulated institutions in late March. **Please install this new upgrade as soon as you receive it, and then retain the CD in a safe, secure, and easily accessible place.**

If you do not receive your CD by April 15, 2005, please contact Doris Jackson at [doris.jackson@ots.treas.gov](mailto:doris.jackson@ots.treas.gov).

## **WHAT'S NEW IN EFS 5.5**

### **Dial-up Capability Discontinued**

With this release of EFS, all reference to dial-up capabilities is eliminated. As stated in the December 2004 bulletin, all transmissions and downloads must be done through EFS-Net, an Internet-based communication method. The following features have been modified to reflect the discontinuation of dial-up:

- In Step 1 of the transmission process, you can no longer disable the checkbox for notices and software updates. The EFS-Net interface screen includes areas from which users may download notices and updates.
- The functions to *Export to Diskette* and *Read from Remote Diskette* have been removed. These functions were directly related to dial-up transmission.
- Troubleshooting help for dial-up transmission problems has been eliminated from the OTS Diagnostics function.

### **Updated Help Screens**

The Help function has been updated to provide you with both an interactive, on-screen User's Guide and a printable version using Adobe Acrobat. The Help file has also been revised to include changes and enhancements to both EFS and the Financial Reports Subscriber (FRS) that we have made over time.

### **EFS System Requirements**

EFS 5.5 will not install on systems using Windows 95. If you attempt to install EFS 5.5 on such a system you will receive a message stating that the application is no longer supported on Windows 95.

### **Miscellaneous Updates and Enhancements**

- Print options are now available for your thrift contact information and the Report Filing Assistant.
- The options to download TFR, CMR, HCR and BOS financial data have been removed from non-quarter report cycles.
- March 2005 Edits
  - There were six new TFR edits, 1 HC edit, and 2 CMR edits.
  - Two CMR edits were deleted.
  - Revisions were made to 7 TFR edits and 9 CMR edits.

### **Financial Reporting Bulletin Hard Copy To Be Discontinued**

Beginning with the September 2005 cycle, the OTS will no longer mail hard copies of the Financial Reporting Bulletin. In September, we will e-mail the bulletin to the report preparer of each OTS-regulated institution, using the e-mail address provided to us in the most recent TFR transmission. **It is imperative that the report preparer's e-mail address in EFS Institution Setup be kept accurate, complete, and current at all times. Please verify all information there prior to any transmission to the OTS.**

Report preparers who do not have e-mail, or do not receive the e-mailed bulletin because of firewall restrictions, etc., can access it from the EFS filing software using a link within EFS Net. The bulletin will also be posted as a PDF file on the OTS website.

Access to the bulletin will generally be on the last day of the quarter (i.e., last day of September for September 2005 cycle).

Further details and information about accessing the bulletin online will be provided in your hard copy of the June 2005 Financial Reporting Bulletin.

## **SOFTWARE CORNER**

### **NEW EFS Software CD for March 2005**

**The new Electronic Filing System (EFS) Version 5.5 software upgrade CD, dated March 2005, was mailed to the report preparers of all OTS-regulated institutions in late March.** If you do not receive your CD by April 15, please contact Doris Jackson at [doris.jackson@ots.treas.gov](mailto:doris.jackson@ots.treas.gov).

You should install the EFS 5.5 CD as soon as you receive it. Please retain the CD in a safe, secure, easily accessible place for retrieval should you be directed by OTS staff to reinstall it.

### **Always Access The EFS System Correctly**

Be sure to always access EFS through Start, Programs, Office of Thrift Supervision, OTS Electronic Filing System. Desktop shortcuts/icons may not be configured correctly and could create application problems.

### **New EFS Help Guide**

For assistance in using EFS, please refer to the new and improved EFS Help Guide and EFS-EZ Guide under Help, EFS Help Guide. This new, user-friendly, interactive Help Guide will assist you in resolving most of your questions about using EFS. The Guide also contains the TFR Glossary.

### **Quick Importer Can Save You Time**

Remember that the EFS Quick Importer function enables you to import Thrift Financial Report (TFR) data from either an in-house data processing system or an outside data servicer directly into the EFS report spreadsheets. Within the Electronic Filing System software, click on Utilities from the menu bar and select EFS Quick Importer. Click on the [?] for instructions on how to set up and maintain your Account Balance and Relationship Tables and how to import the Servicer Source (GL) Files.

Note: The initial setup is quite an extensive process, but it's a one-time-only procedure and will dramatically reduce the amount of time and money spent in preparing your TFR for subsequent quarters. Quick Importer also provides detailed audit reports for account balances, matched and unmatched accounts, and report line items.

If you require further assistance with EFS Quick Importer, please contact the EFS Helpline at [efs-info@ots.treas.gov](mailto:efs-info@ots.treas.gov).

### **Web Site Hyperlink**

The website link feature in the EFS system will assist in verifying the web addresses reported by thrifts. When you enter or edit your institution's web address in SQ530, it will be automatically updated in your Institution Setup information and translated into a hyperlink. You should access your Institution Setup each quarter and click on this link to ensure that it is correct. If the link directs you to your institution's web site, you need not take any further action. If it directs you to another site or returns an error, then you should correct the information in SQ530. To access the hyperlink, select the "Institution Setup" button from the main screen of EFS.

If your web address changes from one quarter to the next, you will receive an exception for SQ530 when you run your TFR edits. Verify the link using the instructions above and create a Usernote for the edit exception, verifying that the information is correct.

The web site you provide through SQ530 is posted on the FDIC's web site each quarter. To ensure that the public who access the FDIC web site are directed to your site when the link is selected, it is important that SQ530 is accurate. Web addresses typically follow this format: <http://www.mythrift.com>. Do not enter special characters on SQ530 such as "@", ".", or "#" unless these are part of your actual website address. If your institution does not have a web site, leave SQ530 completely blank. Do not enter "None", "N/A" or any other words or characters.

(These clarifications about the web address for SQ530 are also applicable to the web address information provided on HC140 and on CSS200 for the December cycle.)

### **Financial Reports Subscriber (FRS)**

**Financial Reports Subscriber is a separate installation** from EFS. The Financial Reports Subscriber (FRS) application is installed independently from EFS. You must have the Financial Reports Subscriber installed separately on your workstation to download your Interest Rate Risk and Uniform Thrift Performance Reports via EFS-Net. You should select to install FRS 2.0 from the EFS 5.5 CD dated March 2005, even if you already have it installed, so you will have the updated FRS Help guide.

For complete instructions on loading the FRS program, entering your configuration setup, downloading, saving, or viewing your reports, type the following website into the address line of your Internet browser:

<https://xnet.ots.treas.gov/efsnet/bulletins/frsinstructions.pdf>

### **Update Your Contact Information**

Please carefully review all contact information in Institution Setup and Thrift Emergency Contact information for typos, staff/address/phone changes etc., **before transmitting** any and all reports to the OTS. This will reduce time-consuming research and requests from FRD staff to ask you to correct your information and retransmit. The Financial Reporting Division staff uses this information when we must contact you by phone, fax, mail, or e-mail, or refer someone to your institution's website, and it must be kept accurate, current, and complete at all times.

### **Back Up Your Data**

You should back up your financial data **within EFS after every data editing session or transmission**. This will greatly simplify the data recovery process if you have a system crash, or if you need to install the EFS system onto a new or additional workstation.

From the EFS main (blue) screen, click Backup/Restore, then Backup Financial Data. Select the drive you want to backup to, i.e., hard drive, network drive, diskette, etc., and select or create a directory **with no spaces**. Include the cycle name in the file name – again, with no spaces - for easier retrieval: such as Dec04, etc. Click Backup. Keep the backup file in a safe, easily accessible location.

### **Before You Contact EFS Helpline**

Before calling the EFS Helpline with technical questions, please utilize the OTS Diagnostics tool that was designed to help you in resolving database and/or component errors, etc. The OTS Diagnostics can be opened from the Start-Programs-Office of Thrift Supervision-OTS Diagnostics menu option in Windows. For database errors (i.e. -214...), at the top left of the screen, click Diagnostics and Test EFS/FRS Database Connections. Verify all green checkmarks all the way down. If you see any red error messages, click on the error and follow the instructions at the bottom of the screen for resolution to the problem. Similarly, for EFS component errors (i.e. 429), at the top left of the screen, click Diagnostics and Test EFS Components. Again, verify all green checkmarks all the way down. If you see any red error messages, click on the error and follow the instructions at the bottom of the screen for resolution to the problem.

**EFS Helpline**

You can reach the EFS Helpline at [efs-info@ots.treas.gov](mailto:efs-info@ots.treas.gov), or call toll-free 866.314.1744. Be sure to speak clearly and slowly, and spell any unusual names when leaving a voice mail message. Please remember that this is a message center. E-mails and calls are retrieved and returned during daytime business hours in the order they are received. Leaving multiple messages about the same issue will only delay the callback time. Always include your 5-digit docket number in telephone messages and on the subject line of all e-mails to the EFS Helpline.

**MARCH 2005 TFR INSTRUCTION MANUAL UPDATES**

**PLEASE NOTE: The enclosed pages are for instructional reference only and are not to be placed in your TFR Instruction Manual. Properly numbered replacement pages with the changes highlighted will be mailed to you in the near future for updating your manual.**

Enclosed are updated pages, dated March 2005, to the TFR Instruction Manual.

The changes are:

**SC and SO Changes****SC303, SC 330, SC 691/693/697, SO420, and SI 588 - Reporting Overdraft Protection**

Changes were made to the TFR Instructions in response to questions regarding OTS revised guidance for Overdraft Protection programs published in February 2005. The guidance and new instructions differentiate between overdraft protection plans that are to be reported as "Loans" and those to be reported in "Other Assets." In summary "fee-based" overdraft protection services offered to deposit account customers are to be reported in "Other Assets." Prearranged overdraft protection where the institution performed typical credit underwriting should be reported as "Loans."

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# Questions & Answers

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*TFR Questions and Answers are posted on the OTS web site at [www.ots.treas.gov](http://www.ots.treas.gov) (click TFR). If you have a question you would like posted, please e-mail it to [tfr.instructions@ots.treas.gov](mailto:tfr.instructions@ots.treas.gov).*

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**Q&A No: 114**

**SUBJECT: Overdrafts on Checking Accounts**

**LINE(S): CMR335, CMR336**

**DATE: March 1, 2005**

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**Question:** *An institution has overdrafts on checking accounts (customer deposits). Although there is a one-time overdraft fee, no interest is charged. How should these overdrafts be reported on the CMR as far as whether they are adjustable or fixed, and what would be reported for a WARM etc?*

**Answer:** Only interest-earning overdrafts are reported on Schedule CMR as loans.

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**Q&A No: 139**

**SUBJECT: Overdrafts of Commercial NOW and Demand Accounts**

**LINE(S): SC303, SC345**

**DATE: March 1, 2005**

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**Question:** *The instructions for SC345 under Include, item 2 say to include overdrafts of consumer NOW and demand accounts. Does the word consumer include only single customer accounts or should we include NOW and demand accounts set up for commercial purposes?*

**Answer:** Interest earning overdraft lines of credit of commercial accounts should be reported as commercial loans on SC303. Noninterest earning overdraft amounts should be reported as "other assets," SC 689.

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**Q&A No: 215**

**SUBJECT: Overdraft Protection and Fees**

**LINE(S): SC303/345**

**DATE: March 1, 2005**

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**Question:** *An institution provides overdraft protection (not a line of credit) on its individual and commercial deposit accounts. It charges an overdraft protection fee when it covers an NSF check under the terms of the overdraft protection agreement. How should the overdraft amount be categorized on the TFR? If some of the amounts are later deemed uncollectible, how should they be reported?*

**Answer:** Report noninterest earning overdraft amounts and related uncollected fees as other assets SC689. For overdraft amounts reported on lines SC689 deemed uncollectible, charge off such amounts and report the charge-offs on line VA930.

**FINANCIAL REPORTING DIVISION CONTACT LIST**

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The Financial Reporting Division uses voice-mail extensively. If you reach the voice-mail of the person you are calling, please leave a brief message, speaking slowly enough to be clearly understood. Include your name, phone number, region, and docket number. Your call will be returned as quickly as possible.

**TFR REPORTING QUESTIONS AND ANSWERS**

The Financial Reporting Division posts TFR Questions and Answers on the OTS website at <http://www.ots.treas.gov> (click TFR). If you have a question that you would like answered, you may submit it to [tfr.instructions@ots.treas.gov](mailto:tfr.instructions@ots.treas.gov).

**EFS HELPLINE MESSAGE CENTER**

For assistance with Electronic Filing System (EFS)-related issues, contact the EFS Software Helpline at [efs-info@ots.treas.gov](mailto:efs-info@ots.treas.gov), or call the TOLL-FREE 24-Hour Message Center: 866.314.1744. NOTE: For security purposes, please always begin your e-mail Subject line with your 5-digit docket number, and provide your name and phone number.

**INTEREST-RATE RISK REPORTS**

Questions about your Interest Rate Risk report may be directed to Scott Ciardi at [scott.ciardi@ots.treas.gov](mailto:scott.ciardi@ots.treas.gov), or 202.906.6960.

**COPIES OF TFR MANUAL**

The OTS provides one copy of the TFR Instruction Manual and Financial Reporting Bulletins free of charge to the report preparer(s) of each OTS-regulated institution. You can also access the manual and bulletins on the OTS website at <http://www.ots.treas.gov> (click TFR).



**PREFERRED AND MINIMUM REQUIREMENTS**  
**FOR ELECTRONIC FILING OF**  
**REGULATORY REPORTS**

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**Preferred Requirements:**

**Application**

- IBM-compatible PC - Pentium 566+ processor
- Windows 98, NT4.0 Workstation, Windows 2000, XP, Me
- 256 Meg of installed RAM memory
- 200+ Meg of available hard drive memory
- SVGA enhanced color monitor 800x600, 256 colors or 24 bit true colors
- CD-Rom drive
- HP LaserJet or Ink Jet-compatible printer

**Communications - EFS-NET**

- DSL, Internet Cable, or T1-T3 Direct Line with online Internet access
  - Internet Explorer 6.x or greater (for EFS-NET certificate compatibility)
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**Minimum Requirements:**

**Application**

- IBM-compatible PC - Pentium 200+ processor
- Windows 98
- 128 Meg of installed RAM memory
- 150 Meg of available hard drive memory
- VGA or SVGA color monitor - 640x480, 256 colors screen
- CD-Rom drive
- HP LaserJet or Ink Jet-compatible printer

**Communications - EFS-NET**

- 56K bps modem and active account with an Internet Access Service Provider
- Internet Explorer 6.x or greater (for EFS-NET certificate compatibility)

## **THRIFT FINANCIAL REPORT INSTRUCTION MANUAL UPDATES**

**MARCH 2005**

**PLEASE NOTE:** The enclosed pages are for instructional reference only and are not to be placed in your TFR Instruction Manual. Properly numbered replacement pages with the changes highlighted will be mailed to you in the near future for updating your manual.

Insert these revised pages into your Thrift Financial Report Instruction Manual. Delete **only** those pages that have replacements.

Refer to the summary of these changes in the March 2005 Financial Reporting Bulletin.

Direct questions to your Financial Reporting Analyst in Dallas, TX, or by e-mail to [tfr.instructions@ots.treas.gov](mailto:tfr.instructions@ots.treas.gov).

4. Nonmortgage loans insured or guaranteed by state or municipal government authority or an agency of the federal government, including Farmers Home Administration, Agency for International Development, and the insured portion of nonmortgage Small Business Administration (SBA) loans.
5. Secured nonmortgage loans to unconsolidated subordinate organizations.
6. Outstanding balances of secured commercial lines of credit.
7. Loans secured by residential property to finance small businesses if the loans are not reported as mortgages.

**Do not include:**

1. Commercial financing leases. Report on SC306.
2. The uninsured portion of SBA loans. Report on SC303.

### **SC303: Unsecured**

Report all unsecured loans to corporations, partnerships, and individuals for business purposes.

**Include:**

1. Unsecured construction loans to builders.
2. Unsecured loans for the improvement of multifamily and other commercial property.
3. The outstanding balance of unsecured commercial lines of credit, prearranged overdrafts underwritten as loans and typically earning interest on commercial demand deposits, and business credit cards.
4. Unsecured loans for farming operations.
5. Term Federal Funds - Any lending of immediately available funds where the loan has an original maturity of more than one business day, other than securities purchased under agreements to resell, is to be treated as a loan. Such transactions are sometimes referred to as *Term Fed Funds*.
6. All other unsecured loans made for commercial purposes.

**Do not include:**

1. Unsecured loans to unconsolidated subordinate organizations. Report on SC540, Other Equity Investments Not Subject to FASB Statement No. 115.
2. Corporate debt securities even if included in calculating OTS commercial loan limitations. Report on SC185, Other Investment Securities.
3. Non-interest-bearing overdrafts on commercial deposit accounts where the institution grants modest sized overdrafts for the convenience of the customer. Typically, such overdraft protection plans are offered to most customers on a fee for service basis rather than incurring interest charges. Report such overdrafts on SC 689, "Other Assets." Report fee income on such overdrafts as SO 420, "Other Fees and Charges."

### **SC306: Lease Receivables**

Report all direct financing leases and leveraged leases to corporations, partnerships, and individuals for business purposes. Include ground rents on commercial properties.

### **Consumer Loans:**

Report loans issued at a discount net of the related unearned interest in accordance with APB No. 21.

### **SC35: Total**

The EFS software will compute this line as the sum of SC310 through SC330.

**Do not include:**

1. Credit extended under credit card plans to business enterprises; report as commercial loans on SC303.
2. Credit extended to individuals through credit cards secured by real estate; report as mortgage loans.
3. Credit extended to individuals under prearranged overdraft plans underwritten as loans; report on SC330.

**SC330: Other, Including Lease Receivables**

Report loans to individuals for household, family, and other personal expenditures not included elsewhere, and direct financing leases to consumers.

**Include:**

1. Loans on timeshare units.
2. Loans on motorcycles.
3. Loans on boats.
4. Loans on airplanes.
5. Loans on other recreational vehicles.
6. Open-ended personal lines of credit extended to individuals including prearranged overdraft lines of credit underwritten as loans.
7. Overdrafts of consumer accounts, including overdraft lines of credit.
8. Ground rents on properties used for one-to-four dwelling units.

**Do not include:**

1. Loans on units in cooperative buildings. Report on SC254 or SC255, Permanent Mortgages on 1-4 Dwelling Units.
2. Non-interest-bearing overdrafts on consumer deposit accounts where the institution grants modest sized overdrafts for the convenience of the customer. Typically, such overdraft protection plans are offered to most customers on a fee for service basis rather than incurring interest charges. Report such overdrafts on SC 689, "Other Assets." Report fee income on such overdrafts as SO 420, "Other Fees and Charges."

**SC348: Accrued Interest Receivable**

Report accrued interest receivable on nonmortgage loans reported on SC300 through SC330, if collection was probable at the time of accrual. You must place loans on which the collection of interest is not probable in a nonaccrual status.

**Do not include:**

1. Interest receivable if collection was not probable at the time the interest was recorded.
2. Interest receivable on loans or participations serviced for others. Report on SC689, Other Assets.

**SC357: Allowance for Loan and Lease Losses**

Report all allowances for loan and lease losses (ALLL) established to recognize credit losses on nonmortgage loans reported on SC300 through SC348. You must include all ALLL in the reconciliation of valuation allowances in Schedule VA.

**Do not include:**

1. Premiums on deposits and borrowed money that you purchased. Report premiums on deposits on SC715 and premiums on borrowed money with the related borrowing.
2. Deferred credits, deferred income, that do not have a related asset. Report on SC796, Other Liabilities and Deferred Income.
3. Accounts with a material credit balance that are not contra-assets. Report on SC796, Other Liabilities and Deferred Income.
4. Identified core deposit intangibles. Report on SC660, Goodwill and Other Intangible Assets.
5. Delinquent mortgage loans previously securitized with Ginnie Mae, where either (a) you have an unconditional repurchase option, or (b) you have repurchased the loans under such an option. Report with mortgages included on SC26.

**Memo: Detail of Other Assets**

Report the three largest items constituting the amount reported in SC689. You should select codes best describing these items from the list below and report them on SC691, 693, and 697; report the corresponding amounts on SC692, 694, and 698. You must complete this detail if you report an amount on SC689. You should combine similar accounts, for example, all prepaid expenses should be combined and reported as 07. However, you should not combine unlike accounts in reporting code 99. You may have more than one code 99 if you cannot find codes describing the items you report.

**SC691, 693 and 697: Codes**

- 01 Non-interest-bearing overdrafts of consumer and commercial deposit accounts where the institution does not perform a credit analysis but offers overdraft protection to most customers for their convenience.
- 02 Accrued Federal Home Loan Bank dividends.
- 03 Federal, state, or other taxes receivable, whether as the result of prepayment or net operating loss carrybacks.
- 04 Net deferred tax assets in accordance with FASB Statement No. 109.
- 05 Insured portion of real estate acquired by foreclosure or deed in lieu of foreclosure on VA or FHA-HUD loans while the title is held pending conveyance to that agency.
- 06 Prepaid deposit insurance premiums.
- 07 Prepaid expenses.
- 08 Deposits for utilities and other services.
- 09 Advances for loans serviced for others, including advances for taxes and insurance and advances to investors.
- 10 Property leased to others under an operating lease as provided in 12 CFR § 560.41, net of accumulated depreciation.
- 11 Deferred issuance costs related to subordinated debentures, mandatory convertible securities, and redeemable preferred stock.
- 12 Amounts receivable under interest rate swap agreements.
- 13 Non-interest-bearing accounts receivable from a holding company or affiliate.
- 14 Other miscellaneous, non-interest-bearing, short-term accounts receivable.
- 15 No longer used
- 16 No longer used
- 17 No longer used
- 18 No longer used
- 19 Receivables from a broker for unsettled transactions.

## NONINTEREST INCOME

**Do not include** material adjustments to income from prior calendar years; refer to page 3 of the General Instructions for procedures to correct prior periods.

### SO42: TOTAL

The EFS software will compute this line as the sum of SO410 through SO488.

### SO410: MORTGAGE LOAN SERVICING FEES

**Include:**

1. Fees earned from servicing mortgage loans for others.
2. Impairment losses on servicing assets reported on SC642.

**Do not include:**

Servicing fees for nonmortgage loans. Report the servicing fees on nonmortgage loans on SO420, Other Fees and Charges.

Report the difference between the net interest retained from mortgage loan servicing and the amortization or other write-down of mortgage servicing assets. Do not deduct servicing expenses.

### SO420: OTHER FEES AND CHARGES

Report all fees and charges not reported on SO410.

**Include:**

1. Loan servicing fee income on nonmortgage loans, including credit card servicing income.
2. Trust fee income.
3. Loan charges such as prepayment fees, late charges, and assumption fees.
4. Amortization of commitment fees when it is unlikely that the borrower will exercise the commitment.
5. Brokerage fee income.
6. Annuity fee income.
7. Insurance premiums, fees, and commissions.
8. Transaction account fees, including overdraft and non-sufficient funds (NSF) fees.
9. Credit enhancement fees.

10. All other fees not reported on SO410.

**Do not include:**

Amortization of loan fees. Report amortization of loan fees as a yield adjustment to interest income.

### NET INCOME (LOSS) FROM:

Report net income or loss on the categories below. Enter a loss as negative.

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## EXTENSIONS OF CREDIT BY THE REPORTING ASSOCIATION (AND ITS CONTROLLED SUBSIDIARIES) TO ITS EXECUTIVE OFFICERS, PRINCIPAL SHAREHOLDERS, DIRECTORS, AND THEIR RELATED INTERESTS AS OF THE REPORT DATE

Federal Reserve Regulation O defines the terms used in this item.

An **extension of credit** is a making or renewal of any loan, a granting of a line of credit, or an extension of credit in any manner whatsoever. Extensions of credit include, among others, loans, prearranged overdrafts, cash items, standby letters of credit, and securities purchased under agreements to resell. For lines of credit, the amount reported as an extension of credit is normally the total amount of the line of credit extended to the insider, not just the current balance of the funds that have been advanced to the insider under the line of credit. See 12 CFR § 215.3, Regulation O.

An **executive officer** of the reporting savings association is person who participates or has authority to participate, other than as a director, in major policy-making functions of the reporting savings association, an executive officer of the savings association's holding company, and, unless excluded by the savings association's board of directors or bylaws, any other subsidiary of that holding company. See 12 CFR § 215.2(e), Regulation O.

A **director** of the reporting savings association is person who is a director of the savings association, whether or not receiving compensation, a director of the holding company of which the savings association is a subsidiary, and, unless excluded by the savings association's board of directors or bylaws, a director of any other subsidiary of that holding company. See 12 CFR § 215.2(d), Regulation O.

A **principal shareholder** of the reporting savings association is an individual or a company other than an insured depository institution that directly or indirectly, or acting through or in concert with one or more persons, owns controls, or has the power to vote more than 10% of any class of voting stock of the reporting savings association. Regulation O considers shares owned or controlled by a member of an individual's immediate family to be held by the individual. A principal shareholder includes a principal shareholder of a holding company of which the reporting savings association is a subsidiary and a principal shareholder of any other subsidiary of that holding company. See 12 CFR § 215.11(a)(1), Regulation O.

A **related interest** is either:

1. A company, other than an insured depository institution or a foreign bank that is controlled by an executive officer, director, or principal shareholder.
2. A political or campaign committee that is controlled by or the funds or services of which will benefit an executive officer, director, or principal shareholder. See 12 CFR § 215.11(a)(2), Regulation O.

### SI590: AGGREGATE AMOUNT OF ALL EXTENSIONS OF CREDIT

Report the aggregate amount outstanding as of the report date of all extensions of credit by you and your controlled subsidiaries to all of your executive officers, principal shareholders, directors, and their related interests.

Include each extension of credit in the aggregate amount only one time, regardless of the number of borrowers.